



LET'S TALK ABOUT **ETFs**

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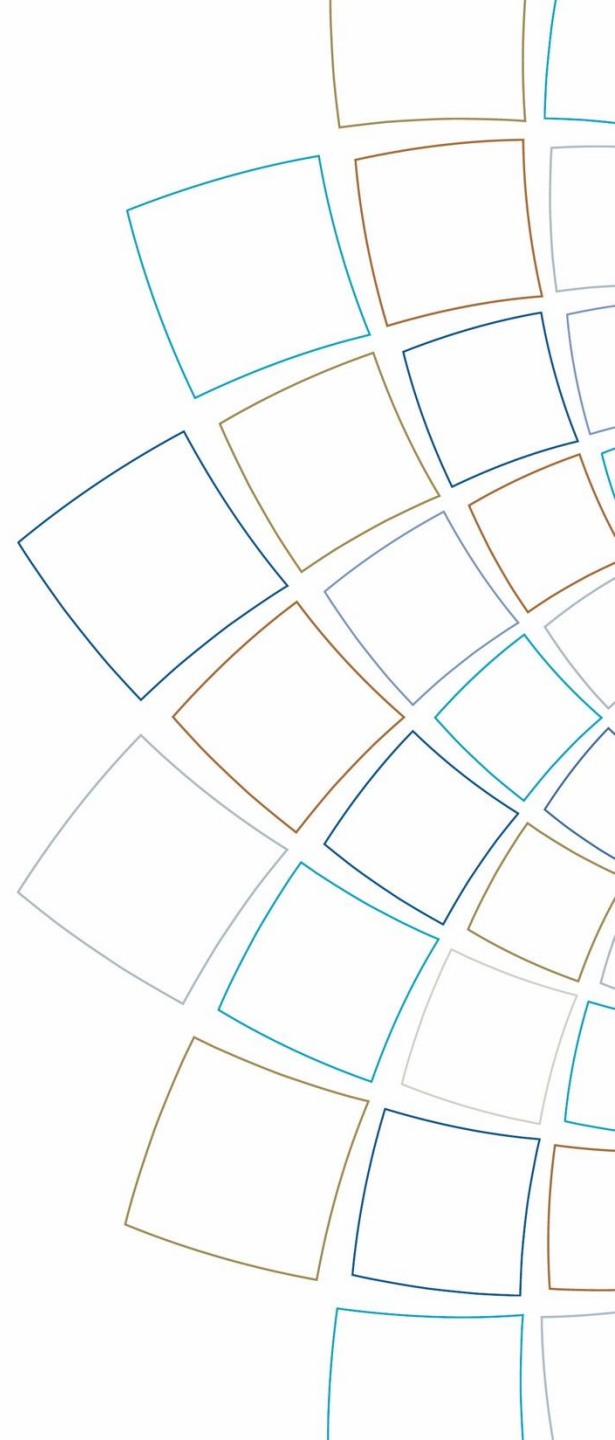
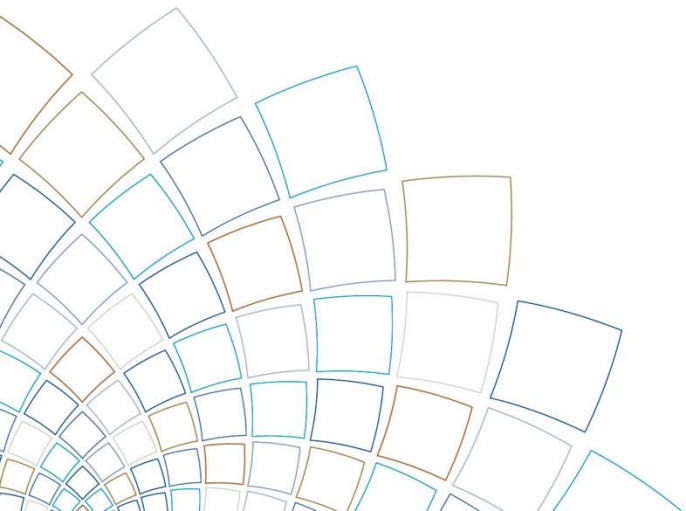
Senior Portfolio Manager and Head of Investment Research, CI Multi-Asset Management

April 3, 2019

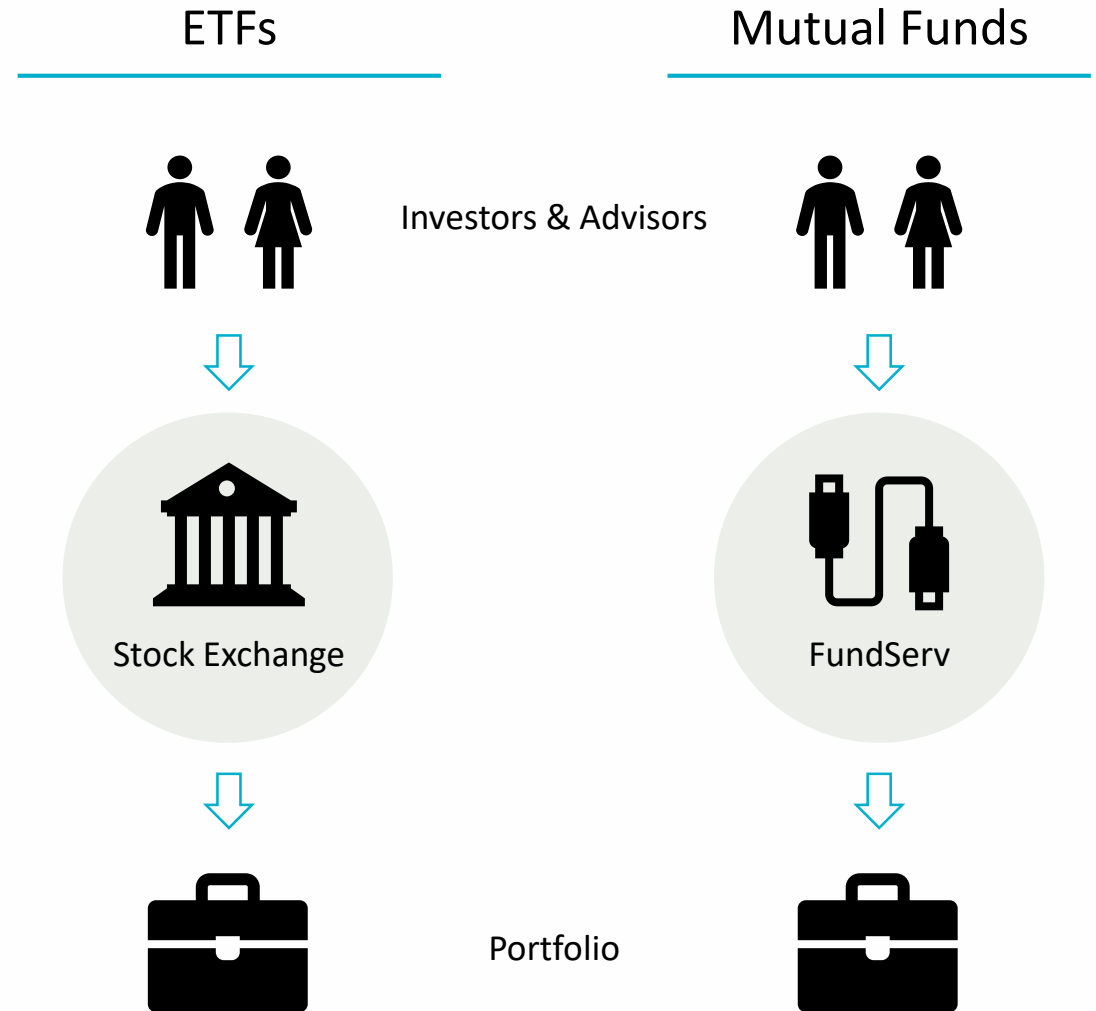
Agenda

- What is an ETF?
- Different types of ETFs
- Adding ETFs to a portfolio
- CI Mosaic ETF Portfolios

WHAT IS AN ETF?



- Like mutual funds, ETFs pool together investors assets to invest in stocks, bonds, money market instruments and other assets
- Traded on an exchange; bought and sold throughout the day
- Like mutual funds, ETF values (NAVs) are based on the value of underlying assets/holdings



More in common than you may think

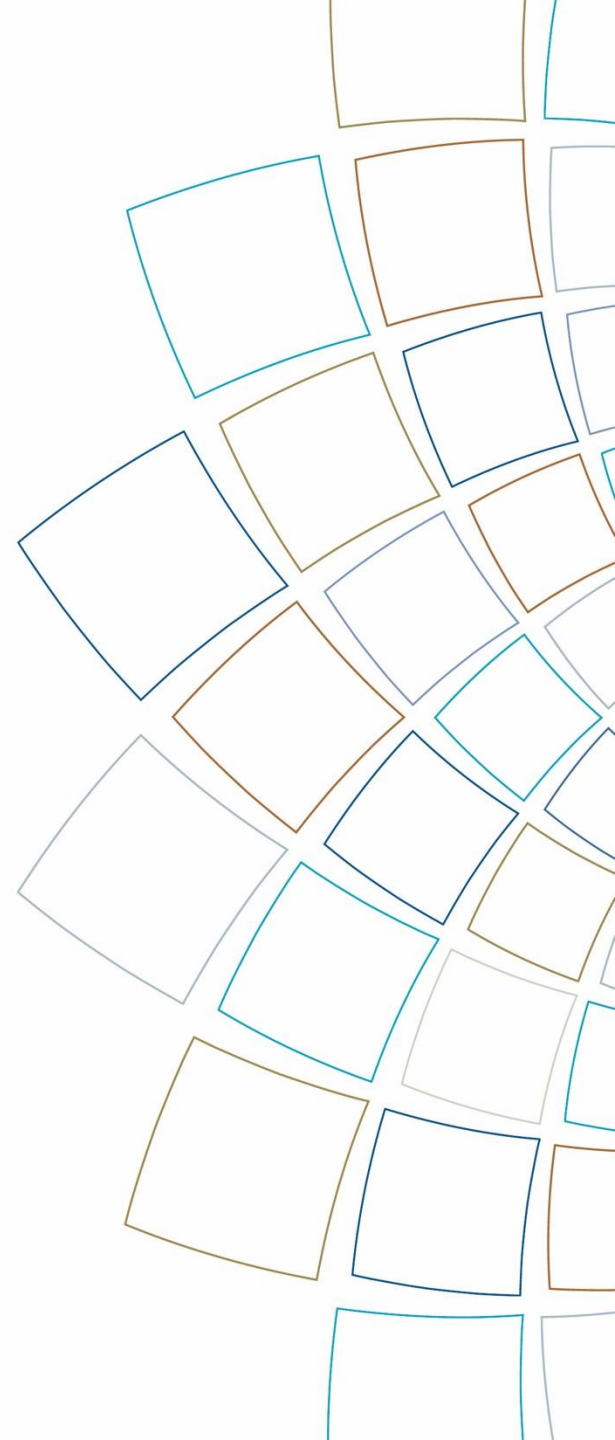
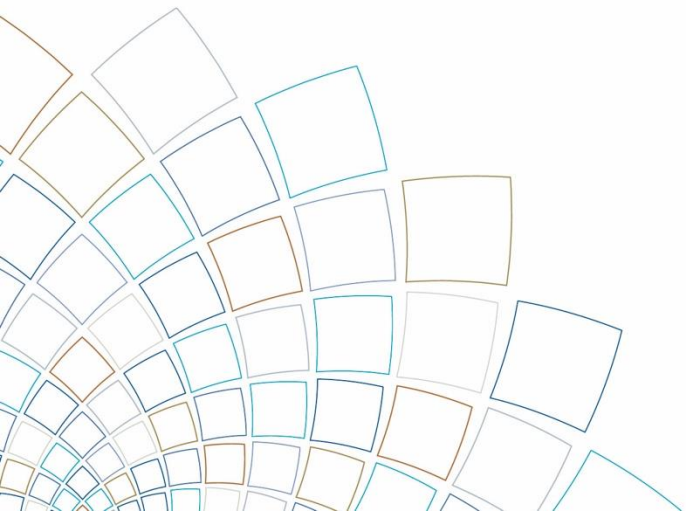
- Despite differences from a structural and administrative standpoint, they are very similar

	Mutual Funds	ETFs
Easy access to professional investment management	✓	✓
Broad variety of investment mandates and asset classes	✓	✓
Used by investors small and large	✓	✓
Can be cornerstones or complementary building blocks for entire portfolios	✓	✓

The merits of investing in ETFs

- ETFs are an efficient, **low cost** investment vehicle
- ETFs provide **trading flexibility** – intra-day trading and real time pricing
- ETFs can be more **liquid** than individual securities
- ETFs can offer **tax-efficiency**
- ETFs have evolved – considerable **depth and breadth** of methodologies to access

TYPES OF ETFs



Evolution of ETFs

- Demand has led to innovation

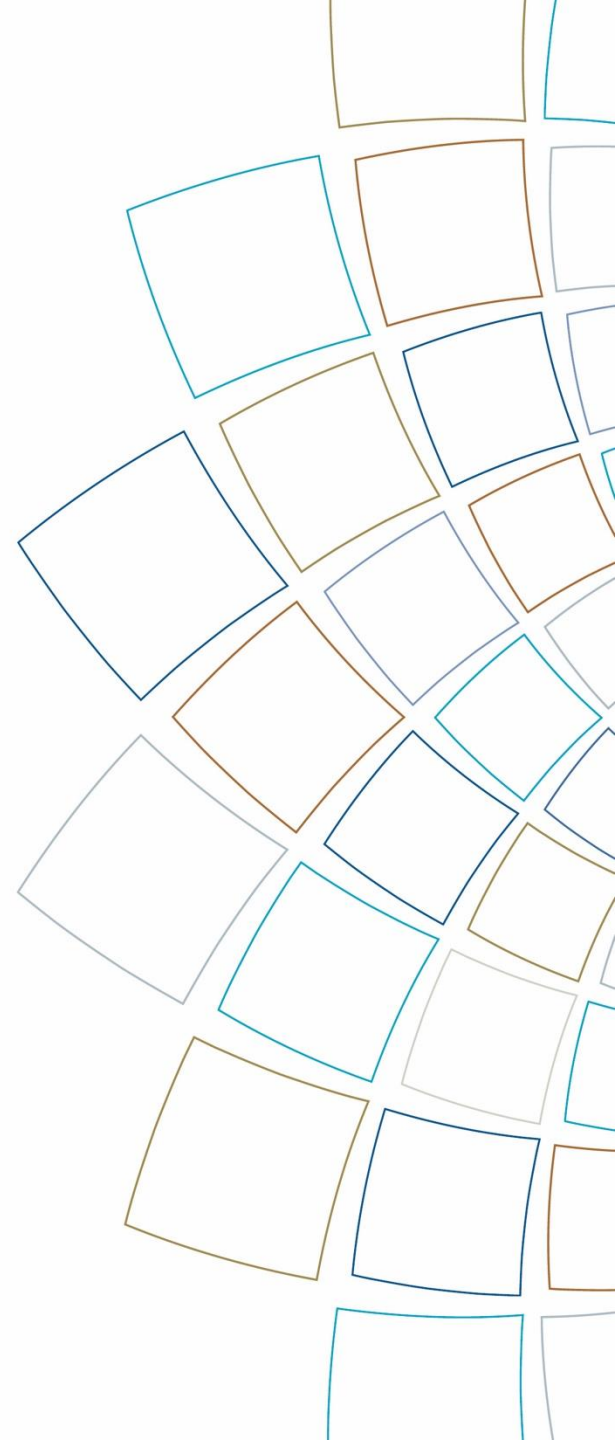
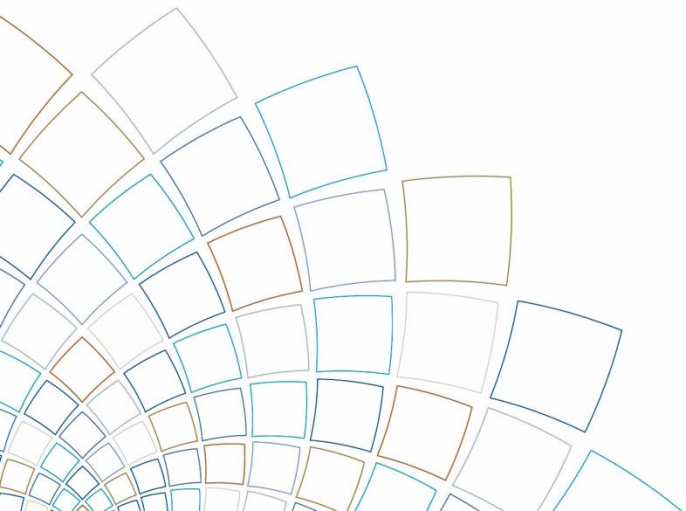


Smart beta – stock selection in action

- How First Asset builds a “Value” portfolio



ADDING ETFs TO A PORTFOLIO



ETFs are building blocks for portfolio efficiency

Spectrum of Methodologies

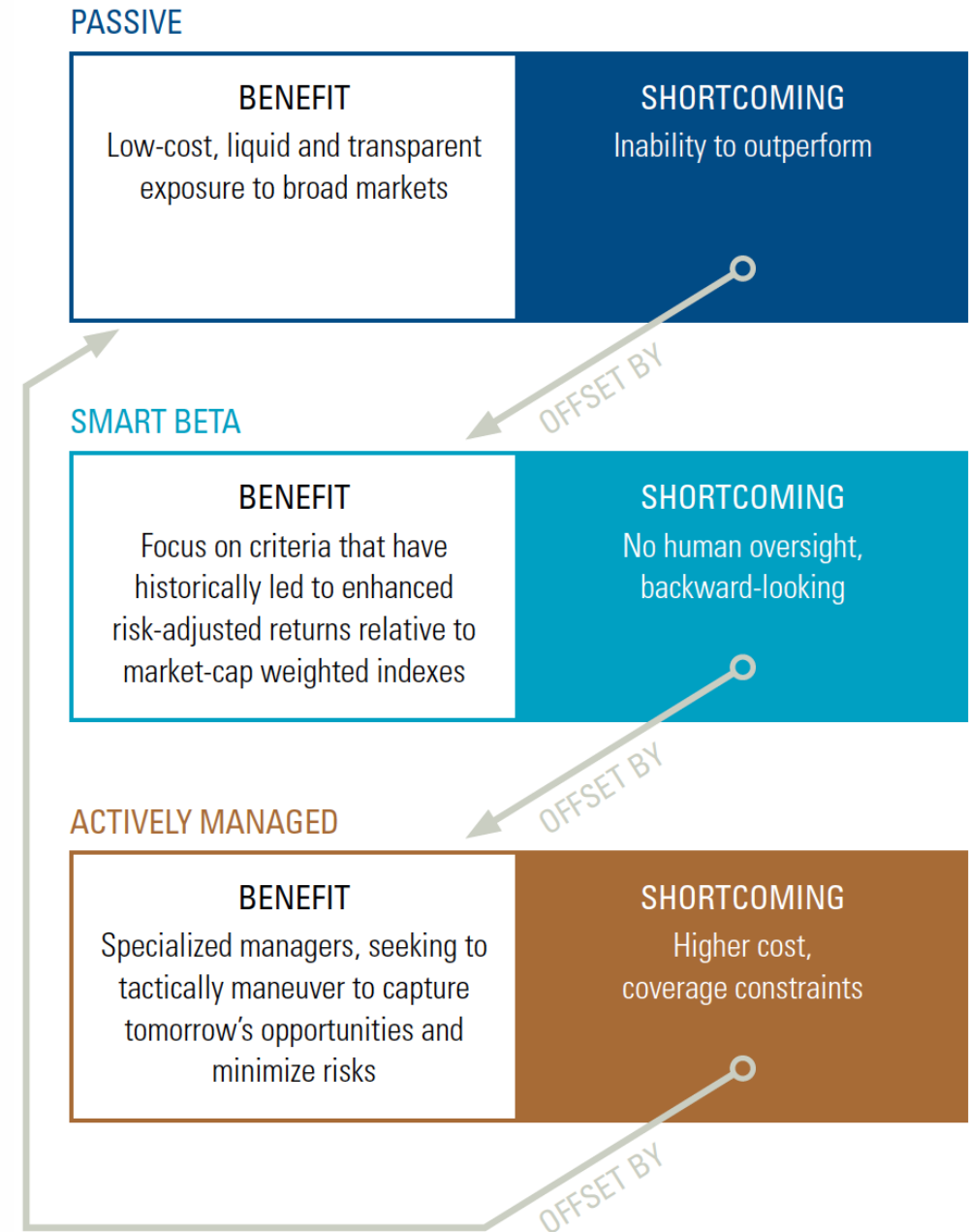


Portfolio Positioning Opportunities



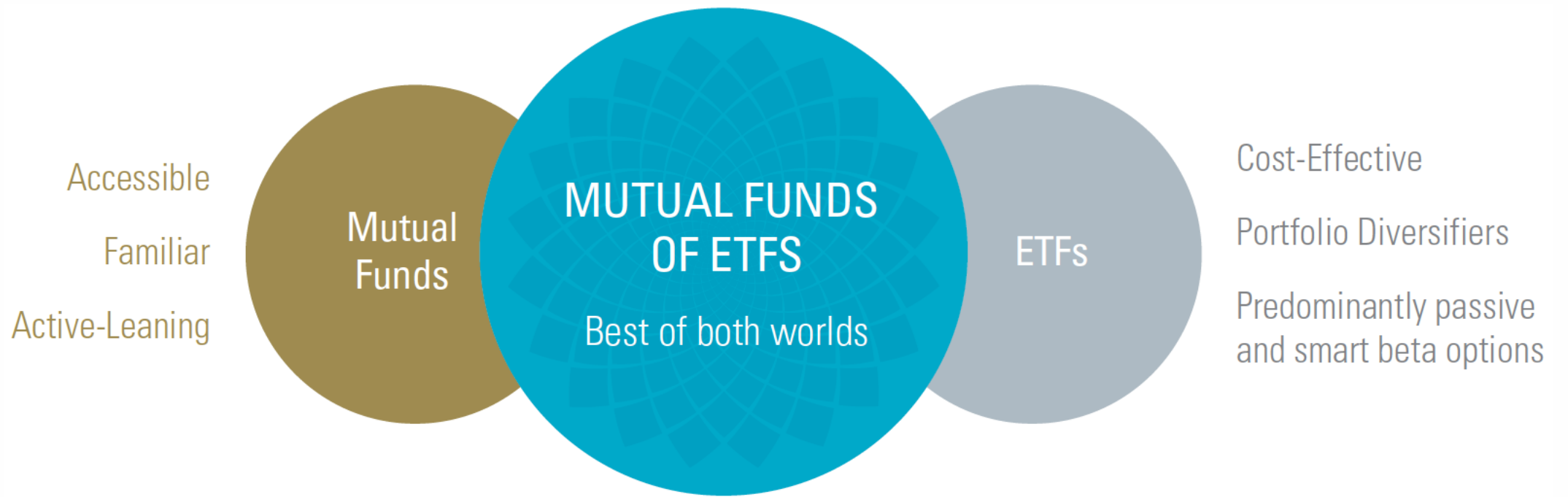
Different types of ETFs complement one another

Combining passive, smart beta and active ETF strategies can enhance diversification benefits, and may help offset any potential shortcomings of individual strategies.

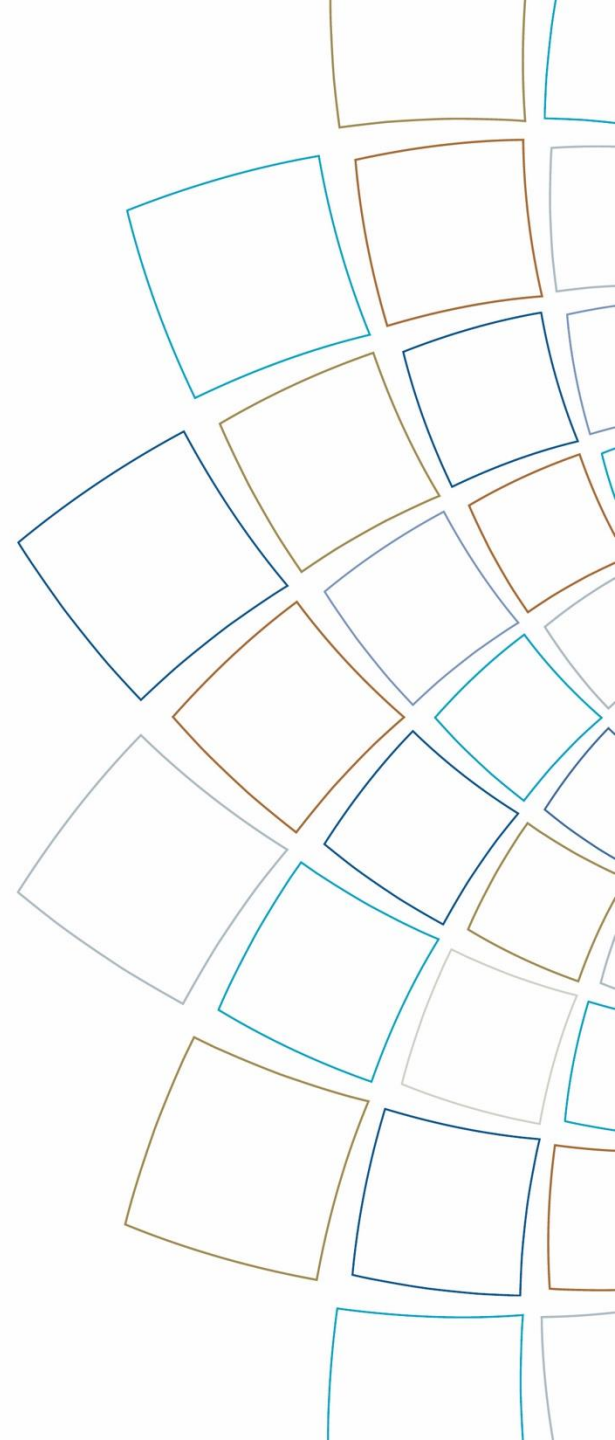
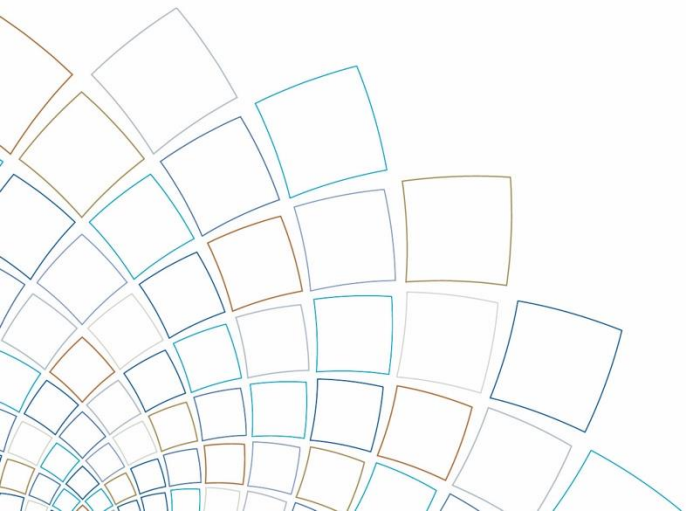


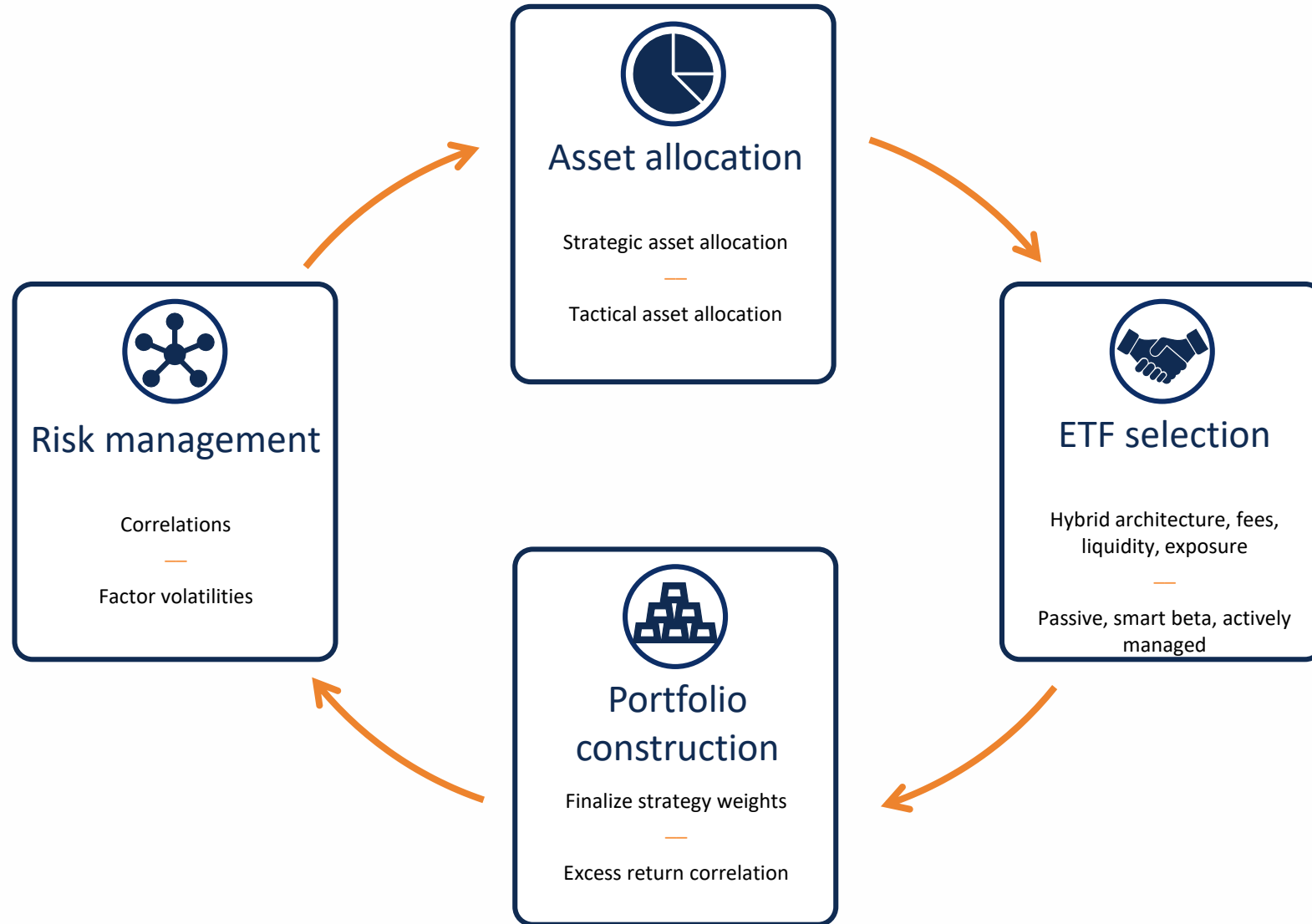
Combining the best of both worlds

Combining passive, smart beta and active ETF strategies can enhance diversification benefits, and help offset any potential shortcomings of individual strategies.



CI MOSAIC ETF PORTFOLIOS™





Strategic and tactical asset allocation

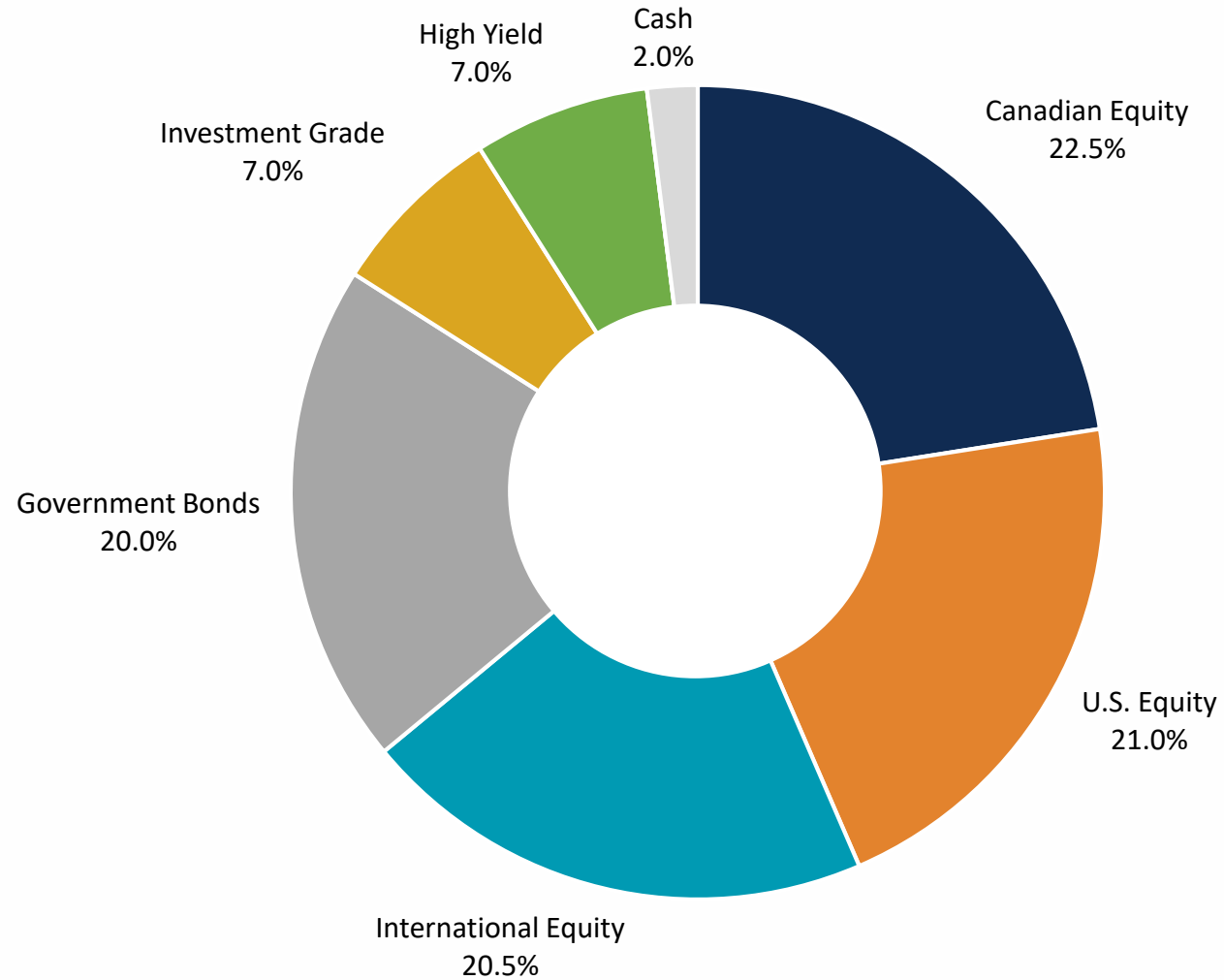
CI Mosaic ETF Portfolios are constructed using CI Multi-Asset Management's fundamental **strategic asset allocation strategy**, which is driven by

- Valuations
- Fundamentals
- Correlation over three to five-year time horizon

CI Mosaic ETF Portfolios also employ a **tactical asset allocation strategy** aimed at taking advantage of shorter-term opportunities that will see the portfolios diversified by:

- Regions
- Factors
- Styles
- Sectors

CI Mosaic Balanced ETF Portfolio

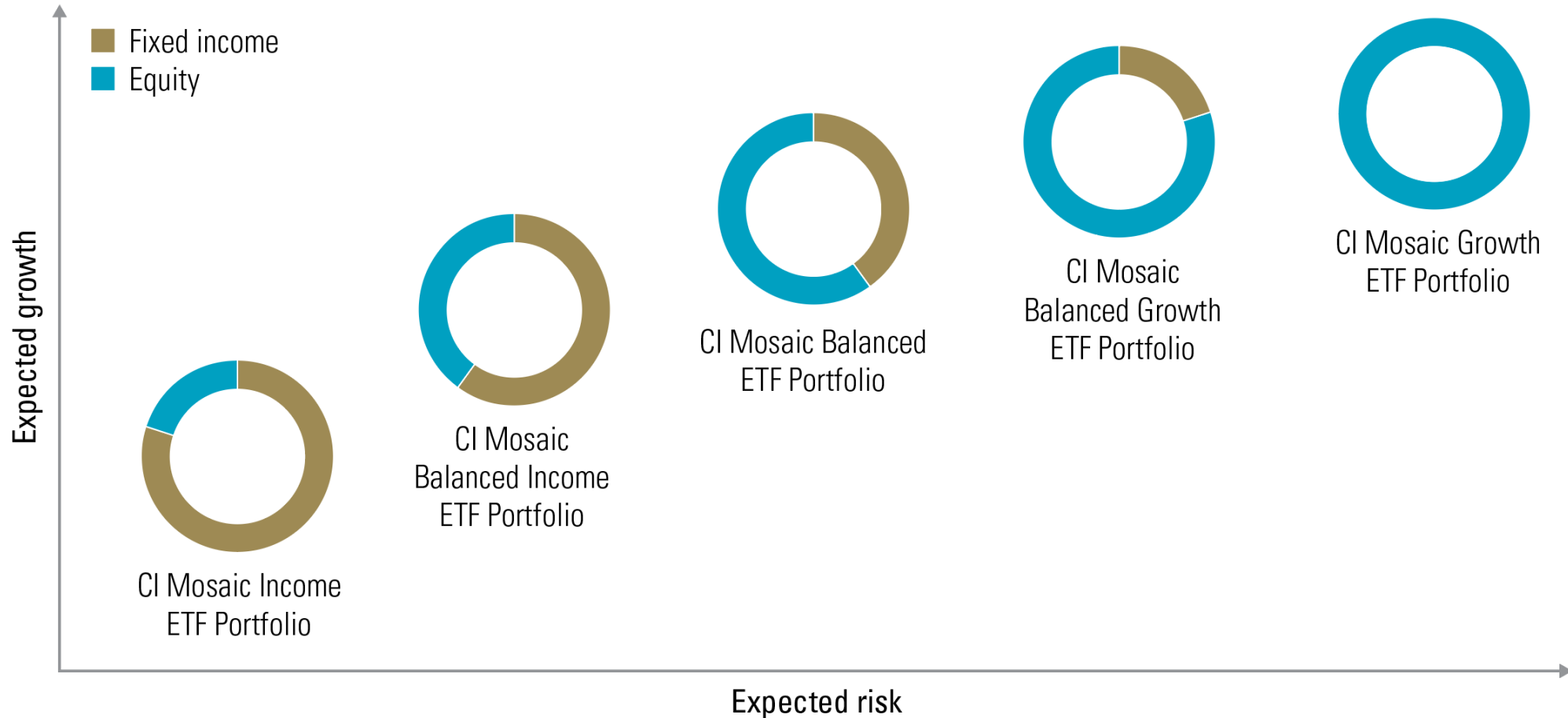


Source: CI Multi-Asset Management. As at March 12, 2019.

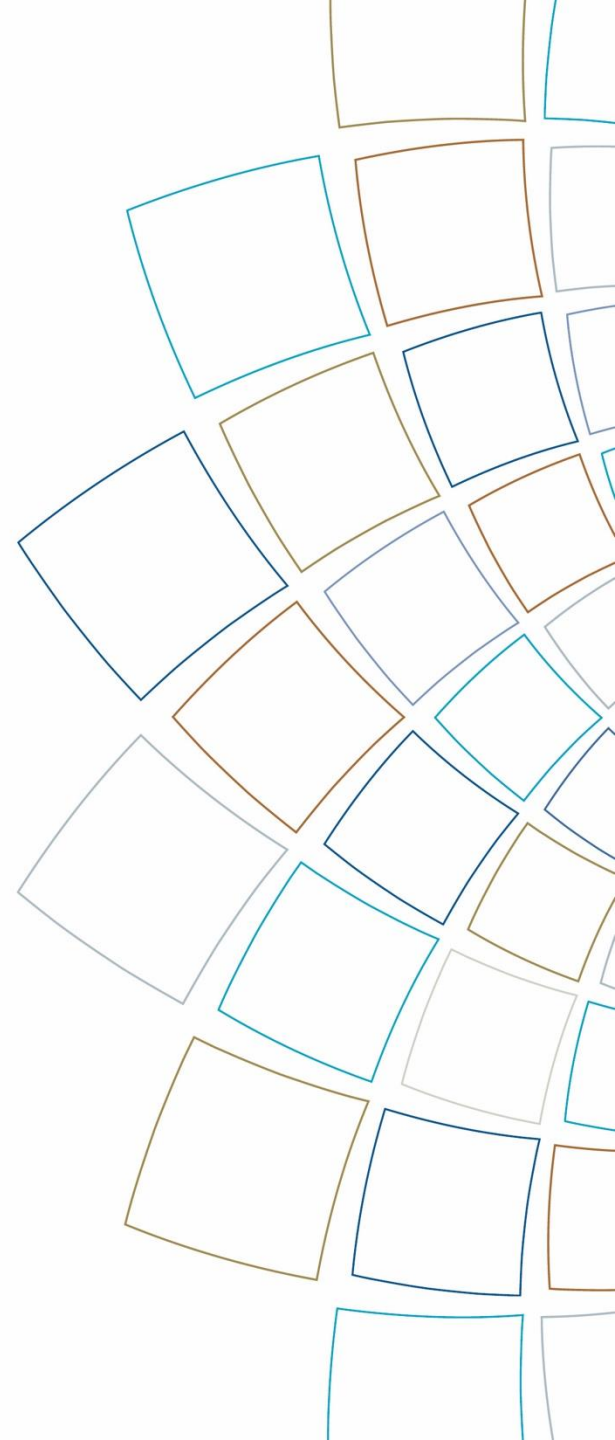
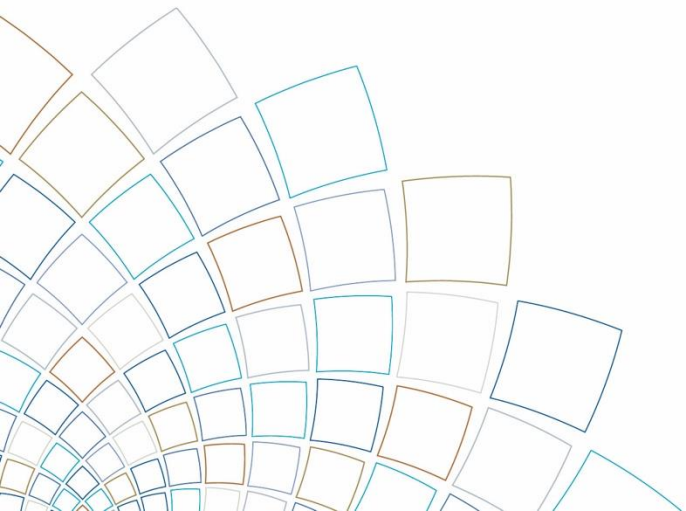
Tactical opportunities

Asset Mix	Region	Factor	Sector
Stocks	Canada	Momentum	Financials
Rates	U.S.	Dividend yield	Information technology
Credit	Europe excluding U.K.	Quality	Health care
Commodities	U.K.	Size	Industrials
Liquid Alternatives	Japan	Low volatility	Consumer discretionary
Cash	Pacific excluding Japan	Growth	Consumer staples
FX	Emerging Markets	Value	Communication services
			Energy
			Materials
			Utilities
			Real estate

Five distinct portfolios catering to your risk tolerance



THANK YOU
QUESTIONS?



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